



Dorset Local Skills Report-Annex

Skills Advisory Panel and Board

Contents

ANNEX A Core Indicators	4
Local Landscape	5
Employment by sector	6
Employment by occupation	
Enterprise by employment size band	9
Business birth and death rates	10
Employment rate and level	11
Nominal GVA per hour worked	12
Median gross weekly wage	14
Population by age group	15
Claimant Count	16
Income, Employment and Education deprivation	17
Skills Supply	18
Qualification levels	20
FE Education & Training Achievements	21
Apprenticeship Achievements	23
HE Qualifiers	24
Key stage 4 destinations	27
Key stage 5 destinations	29
Adult FE and skills destinations	31
Apprenticeship_destinations	34
HE graduates destinations	36
Graduate_retention	38
Employer provided training	39
Skills Demand	40
Online vacancies	42
Sector growth forecasts	45
Occupation growth forecasts	46
Skills that need developing	47
Mapping skills supply and demand	48
Proficiency of workforce	49
Hard-to-fill and skills shortage vacancies	50

ANNEX B Additional Indicators	52
Local Landscape	53
Employment in industry sectors	53
Employment in occupations	58
Jobs earning below the Living Wage	60
Wage by gender	61
Skills Supply	62
Qualifications over time	62
Apprenticeships starts/achievements	64
Destinations charts	66
Skills Demand	68
Productivity by qualification level	68
Job Vacancies additional indicators	69
Sector and occupation forecasts	71



This Annex of indicators forms part of the Dorset Local Skills Report.

It provides key data for the report and a main point of reference.

The Annex offers summary of evidence across four key areas of skills inquiry: <u>Local</u> <u>Landscape</u>, <u>Skills Supply</u>, <u>Skills Demand</u> and <u>Mapping skills supply and demand</u>.

It has been supported by grant funding by the Department for Education and is regimented by published guidance to offer comparable data across all 36 LEP areas.

The Dorset Local Skills Report is coordinated by Dorset LEP and developed by the Dorset Skills Advisory Panel and Board in collaboration with partners and can be found online at dorsetlep.co.uk.

ANNEXA | Core Indicators

Local Landscape

Summary

Over the past decade, Dorset has experienced higher than the national rates of employment and economic activity, but lower labour productivity and lower wages than average and these trends have deepened over the past two years (2020-21).

- The COVID19 pandemic arrived amidst a period of near-full employment and displaced thousands across affected industries and leading to an increase in unemployment more pronounced than nationally yet less severe than initially predicted. Reverse movements towards full employment were seen over recent months with latest indicators suggesting the local economy and labour market are headed back to the pre-existing trends and signals of labour shortages have overtaken the fears of unemployment rise.
- Similarly, Dorset's thriving start-up scene has taken a hit, but also showed resilience and there are exciting opportunities ahead for Dorset where business survival rates are among the strongest nationally. While the number of start-ups in Bournemouth, Christchurch and Poole declined, business start-ups grew by more than a third (38%) in the more rural Dorset Council area, ranking Dorset 10th in the UK by the rate of start-up growth on the previous year and asserting Dorset LEP's place among the top entrepreneurial hotspots in UK.
- Within this overall picture, Dorset's demographic profile presents a profound workforce challenge for the next decade. With the highest proportions of people in retirement age in the country and a below average proportion of young and working-age people, the workforce is expected to shrink further over the coming years and those entering retirement will create significant 'replacement demand'.
- Whilst the proportions of people earning below the Living Wage has declined and women's wages were growing at a faster rate over recent years, the wage gap between Dorset and nationally has widened, women still earn over a fifth less than men, and there are areas of high concentration of low wages (earnings below the living wage reaching 30 per cent).
- Dorset's 'n'-shaped income deprivation profile also masks significant pockets of deprivation. Across the county 15 neighbourhoods are among the 10% most deprived nationally and one in ten of neighbourhoods were among the 20% most deprived in terms of income. There are examples of postcode lottery across the county that pay off particularly poorly in terms of social mobility, Weymouth and Portland being defined as one of the worst performing areas nationally –and Bournemouth and Poole recording among the widest gap in educational outcomes between those from affluent families and those from deprived homes. These figures emphasise the barriers to aspiration and achievement and bring unique layers of complexity to the skills mix.

Employment by sector

Dorset's industry profile is mirroring the broader UK picture. Reflecting Dorset's geography, demographic and economic characteristics, employment and output are larger in hotels, restaurants, health, finance, agriculture, property, and retail, and smaller in transport, ICT, business and professional services, when compared to the UK average.

The ONS Business Register and Employment Survey (BRES) employment by industry figures show the local industry mix in 2020 largely continued to mirror the national profile with small variance in proportions of employment¹ jobs by sector in Dorset (*Figure 1*) in relation to the England average (*Figure 2*).

There are some local industry specifics with more employment jobs in BCP Council in finance, health, retail, business administration, and property, whilst agriculture, public administration and defence, manufacturing and construction are more prevalent in the predominantly rural Dorset Council (Figure 34).

As the available BRES data covers 2020, we have supplemented the analysis with the most recent Annual Population Survey (APS)² data available at local level including June 2021 at the time of writing. Whilst APS data is not industrially stratified or covering workers under 16 years of age, it gives some indication of more recent developments.

Another measure of local economic specialisation and industrial concentration is **Location Quotient** (LQ), which shows Dorset's sectors LQ ranking (*Figure 34*) and reveals the sectors with highest LQ in 2021 were:

- Finance and Insurance (1.4x)
- Real Estate (1.4x)
- Accommodation and Food (1.3x)
- Agriculture, forestry & fishing (1.2x)

Looking at historic developments,

employment varied across industries (Figure 30) with some industries seeing an expansion through the pandemic including Information and Communication recording the biggest expansion in 2020 (50%, 4,000 \clubsuit), followed by business administration, education and real estate (Figure 31).

Transport and storage, despite having the smallest LQ (*Figure 34*), saw amplified activity through thriving e-commerce nationally and an employment uplift in Dorset in 2020 compared to a year earlier (+2,000).

There were however notable declines in the numbers in employment in some of the largest employment sectors.

A traditional tourist hotspot, Dorset has higher employment concentration in tourism, hospitality and retail with a guarter of Dorset's workforce (82,000 24%) employed (Figure 1). Unsurprisingly, local hotels, restaurants and retailers had a continued exposure to the ups and downs of the pandemic measures, consumer behaviour change, and financial pressures over the past two years. As many other places, Dorset's high streets saw the disappearance of some of shopping's biggest names – including Debenhams, Topshop, Topman, Miss Selfridge and Burton³. Employment as a result declined by 8% in the sector with 7,000 fewer employed in 2020 compared to a year earlier, and a further decline appears to have taken place in 2021 according to the APS although there was increase in self-employment (Figure 32).

Healthcare saw a significant increase in 2018, but a significant drop was noted since $(5,000 \Psi)$, despite the exponential growth in sector demand as outlined in the <u>Skills</u> <u>Demand</u> section of this report. Whilst mainly attributed to decline in Dorset Council, this worrying trend could be linked to high competition amongst employers as demand overtakes supply and health and residential care settings in Dorset are under extreme strain amplified by the pandemic.

¹ The BRES Definition for Employment includes employees plus the number of working owners. BRES therefore includes self-employed workers if they are registered for VAT or Pay-As-You-Earn (PAYE) schemes

² Annual Population Survey (APS) data for the period Jul 2020 - Jun 2021, published October 2021

³ <u>How Dorset's high streets performed in 2021.</u> <u>Bournemouth Daily Echo, December 2021</u>



Figure 1. Employment by sector Dorset - Business Register & Employment Survey, 2020 (published 2021)



Figure 2. Employment by sector England - Business Register & Employment Survey, 2020 (published 2021)

Employment by occupation

Dorset's occupational profile also continues to largely mirror the national reference with slightly higher proportions of the workforce than nationally engaged as:

- 'management', determined by the prevalence of company headquarters, sole traders and self-employed in the area;
- 'skilled trades' including 'skilled metal, electrical and electronic trades' and 'skilled construction trades';
- 'administrative 'and 'sales' occupations.

The workforce occupational structure of the county has continued to shift as structural fluctuations emerged accentuated through the impact of Covid-19 (*Figure 36*). While polarisation of demand was expected to be a major future trend in the workplace, with demand for mid-skilled workers (typically non-higher educated) diminishing and shifting towards either higher skilled and/or lower skilled activities, driven by increased automation with now these shifts expected to dominate into the high-skill end of the job spectrum rather than the low skilled⁴.

Between 2015 and 2021 (*Figure 36*), the largest increase in Dorset for example was noted in the proportions of people employed in professional occupations (27% increase) whilst elementary occupations declined by a quarter.

Low-to-medium skilled and repetitive work has higher automation potential, with labour shortages expected to accelerate automation in certain areas where access to lower skilled and temporary work has been hardened and job characteristics such as physical proximity now shapes prospects. Highest future growth continues to be projected in professional, some associate professional, and management occupations. These are already occupations which represent with largest proportions of those in employment in Dorset (almost half - 49% of employed in 2021, c.175,400 from 40% in 2010, c. 132,200). This largely reflects the longer-term shift from 'blue' to 'white collar' professions.



Figure 3. Employment by occupation – <u>Annual Population Survey</u>, July 2020 - June 2021 (Published 2021)

⁴ McKinsey, February 2021, The future of work after Covid19

Enterprise by employment size band

As with most places in the UK, the majority of the 32,930 Dorset businesses tend to be micro or small and only a minor part of less than 2% are medium or large (defined by the numbers employed).

There were 305 more businesses in Dorset in 2021 compared to a year earlier, and 5135 more than a decade earlier, marking a 1% increase on 2020 and 18% increase on 2011.

As shown in *Figure 4*, in line with the national proportions, 90% of the Dorset LEP businesses employ fewer than 9 people. This is the one type of business that has seen growth since the start of the pandemic in 2020 and this profile largely matches the UK average illustrating the importance of supporting SMEs with their growth, employment, and operation practices.

Analysis at a national level⁵ suggests that firm size can be a factor in differences in firm-level productivity, with medium-to-larger businesses tending to have higher levels of productivity. However, this is skewed by the performance of very few 'high performing' businesses at the top end of the productivity scale. If focusing on the median average (rather than the mean average), there is little discernible difference between firm sizes.



Figure 4. Enterprises by employment size band. UK Business counts, 2021

^{5 &}lt;u>Firm-level labour productivity measures from the Annual Business Survey, Great Britain: 1998 to 2018</u> (published 2020)

Business birth and death rates



Figure 5. Business birth and death rates. ONS Business demography, 2015-2020 (published Nov 2021)

Measures of business start-ups, their survival and growth indicate how conducive the locality business environment is of survival and growth.

Business birth and death rates indicate a marginally lower rate of business births in Dorset than in England, but with a commensurate lower rate of business deaths. It is worth noting the national average is skewed by major city regions like London and Manchester. This data suggests slightly lower level of business 'churn' in Dorset- a characteristic of many rural areas that arguably experience slightly lower competitive pressures when compared to major urban areas. Some commentators argue this could be a sign in some cases of suppressed 'creative destruction', referring to the process where less competitive businesses stop trading, which may now be accentuated in the Covid-19 environment, where the support mechanisms in place (e.g. loan repayment holidays, VAT payment deferrals, rent holidays etc.) may shield unsustainable businesses. Nevertheless, monitoring the number of insolvencies and business 'deaths' continues to be an important indicator to monitor.

Business start-ups are a key driver of employment, economic growth, and productivity. However, many start-ups fail within the first three to five years. The three-year survival rate is therefore an important indicator for start-ups' chances of long-term survival and sustainable business growth and Dorset LEP maintains among the highest business survival rates (61% 3-year survival in 2020 of the 2017 business births vs 53% nationally).⁶

Many surviving start-ups however, remain small. The ratio of start-ups reaching higher turnover $(\pounds 1m+)$ is therefore a broad indicator for long-term growth prospects and Dorset aligned with national averages on that measure with 130 (0.4%) of high growth enterprises in 2020⁶.

Overall Dorset prides itself with a thriving start-up scene. Analysis by the Centre for Entrepreneurs firmly placed Dorset LEP localities among the top UK entrepreneurial hotspots in 2020, ranking Bournemouth, Christchurch and Poole 16th and Dorset 29th out of 347 UK areas⁷. Unfortunately, the pandemic has severely harmed existing hospitality businesses, leading to fewer formations of clubs, pubs, hotels and restaurants in 2020 compared to 2019, thus unsurprisingly the number of start-ups in Bournemouth, Christchurch and Poole fell by over a quarter in 2020 compared to the previous year. In contrast, business start-ups grew by more than a third (38%) in the more rural Dorset Council area in 2020, placing Dorset 10th in the UK by the rate of start-up growth from 2019.

⁶ ONS Business demography, 2015-2020 (published 2021)

⁷ Centre for entrepreneurs. Business Start-up Index.2020

Employment rate and level

Recent developments

Historically, employment indicators in Dorset compare favourably to national levels with consistently lower unemployment, and higher economic activity and employment rates and these trends have persisted throughout the past two years (2020-21). Arriving in the midst of a period of near-full employment in Dorset, the pandemic generally brought a decrease in employment and increase in unemployment and these effects were slightly more pronounced in Dorset than nationally due to local labour market characteristics captured in previous chapters. However, these shifts were much less severe than feared initially and reverse movements towards full employment are seen recently.

The rate of self-employment, also traditionally higher, is both an indicator of entrepreneurial culture but could also suggest precarious employment with significant seasonality and therefore higher volatility. Self-employment declined significantly over the past two years in Dorset, and that seems like a universal trend. The centre for Economic Performance <u>analysis</u> revealed earlier last year that movements from self-employment to employment were at their highest for 20 years, and <u>Statista</u> <u>reported</u> self-employment has fallen to levels not seen since the middle of 2015. Over the first half of 2021, self-employment in Dorset was slowly back on a growing trajectory, while <u>latest ONS statistics</u> indicate the downward trends are tentatively shifting but these tend to take time to change.

History repeating?

The recovery from the previous recession was a period of relatively slow output growth but relatively robust labour market when measured by 'engagement'. That is, even throughout the recession, employment in Dorset remained surprisingly high. The evidence suggests that 'capital deepening' (business investment) fell sharply as a result of the credit squeeze, despite 'cheap money' (low interest rates) being available. The past decade has largely seen a significant downward pressure on wages⁸. For a large part of the last decade, the cost of labour declined in real terms and consequently many businesses substituted labour for capital –explaining why employment levels remained high. Another explanation was that sectors that experienced highest growth⁹ i.e. hotels, catering, health etc. were all relatively labour-intensive and it was less easy to substitute labour, and they also tend to be amongst the lowest paying.

The most recent ONS analysis¹⁰ shows that following record fall of business investment after the onset of the coronavirus pandemic it has started climbing back, but very tentatively and remains 19 percentage points lower than pre-pandemic levels. Given further uncertainties brought by new variants of Covid 19, **business investment remains under significant pressure**, which has current and future implications for productivity, skills and employment and indicate a possibly recurring situation.



Figure 6. Employment level and rate. Annual Population Survey, July-June, 2005-2021

8 Our World in Data, Nominal wages, consumer prices, and real wages in the UK, United Kingdom, 1750 to 2015

⁹ ONS Long-term trends in UK employment: 1861 to 2018

¹⁰ Business investment in the UK, July to September 2021, ONS December 2021

Nominal GVA per hour worked

Dorset's total Gross Value Added (GVA current prices) has doubled (in nominal terms) over the past 20 years, reaching £18.6 bn in 2019¹¹.

In comparison with other LEP areas, Dorset has seen a sustained, but subdued output growth in contrast to its consistently higher employment rates (*Figure 6*). One of the consequences of employment growth being higher than output growth historically was inevitably the decline in labour productivity.

Labour productivity in Dorset - as measured by GVA per hour and/or GVA per worker - has been persistently lower than national average. In the initial period following the financial crisis, labour productivity declined in absolute terms, while in the later period it began to slightly recover but largely stayed flat in real terms (i.e. accounting for inflation). Overall, it has struggled to pick up and this has given rise to the concept of the 'productivity conundrum' and the continued policy focus on understanding why productivity growth continues to be muted in Britain as a whole and areas such as Dorset where it has been even slower.

Measured on a GVA per hour basis, the gap between Dorset's and the national productivity has increased year on year reaching circa £4.90 per hour worked in 2019. Applied to the total number of hours worked, this creates an 'output gap' of close to £3bn per annum (*Figure 7*).

Whilst this is the latest data available at local level which does not capture the effects of the pandemic, more recent ONS national releases level reveal interesting productivity developments which analysts argue are linked to lockdown measures tending to affect less productive businesses¹²:

- **Output per worker in 2020 declined** (9.5% down on 2019) a fall that reflects the large numbers of furloughed workers for much of the year.
- However, workers' average output per hour increased (0.4% up on 2019), which is in sharp contrast with the slow and steady decline in productivity following the financial crisis.

These trends continued in 2021 where figures were significantly skewed by the unwinding of the furlough scheme and output per worker was recovering while output per hour worked remained higher than pre-pandemic levels, suggesting that **lower productivity industries had disproportionately higher levels of furlough, which increased aggregate productivity.**

These figures suggest that technological investment could not only build resilience but could also boost productivity even through volatility.

The Bank of England said in its <u>latest monetary policy report</u> that investment growth in innovation and digital technologies could boost productivity to a great extent. There could also be greater gains to productivity from working from home in the future, which may allow companies to reduce office space and shift investment away from buildings towards staff training and IT.

^{11 &}lt;u>Regional gross value added (</u>balanced) by industry: city and enterprise regions

¹² UK labour productivity rose during pandemic, official figures show. Financial times, 2021



Figure 7. GVA per hour worked. ONS Subregional Productivity, 2014-2019 (published 2021)

What is the relationship between employment levels and labour productivity?

Productivity differs across industries in a way that does not match the numbers in employment, raising questions whether the industrial makeup is a potential explanation for the lower productivity levels in Dorset.

Whilst industries differ in their average levels of productivity – knowledge intensive services on average twice as productive as less knowledge-intensive sectors, research suggests that industry structure explains small variation within regional productivity.

Our skills analysis work (<u>Dorset People and Skills Evidence Base</u>) ascertains that supporting improved firm level productivity can have a significant effect on aggregate regional productivity.

Ensuring both business and management practices, innovation investment at firm level and availability of the right skill mix for the industrial structure in Dorset is therefore essential in driving growth and productivity forward.

Median gross weekly wage

Whilst earnings of those living in Dorset are on average around 6% lower than nationally, they have shown robustness over the past years, given the UK average is influenced by higher earnings within London and Greater South East.

However, there was a more pronounced decline of wages in Dorset brought by the pandemic in 2020, and whilst they have since been bouncing back, the gap has widened to 10% for those working in Dorset and 7% for those living in the county (Figure 7). ONS suggests exercising caution when comparing wages over the past two years as there are many temporary factors at play and the labour market is still volatile.

The evidence also suggests significant variance in earnings and the distribution of earnings across the Dorset LEP area, although data at smaller geographies is subject to relatively wide confidence intervals. Whilst the proportions of people earning below the Living Wage has declined in line with national trends, there are still higher proportions of people in Dorset Council earning below that threshold – representing a fifth of male and a quarter of female employee jobs (*Figure 37*). Lower wages are significantly more prevalent in South Dorset, where 31% of all employee jobs and half of the part time jobs are earning below the living wage (*Figure 38*) and the average earnings per week in Christchurch are £203 higher than in Bournemouth West¹³.

Although women's wages have been growing at a higher rate over the past years, women still earn over 22% less than men and the gender pay gap is more pronounced in Dorset than nationally (*Figure 39*).

There is also marked variability between individuals with the typical earnings for those in the 10% lowest paid jobs about 3X lower than the typical earnings in the top 10% and is half lower than the average across the Dorset workforce¹⁴.

It is important to emphasise that *Figure 8* shows growth in (median) average wages in nominal terms i.e. not accounting for inflation (with the residence and workplace measure exactly matching in England). In real terms, growth has been much more muted.



Figure 8. Median gross weekly wage for full-time workers. Annual Survey of Hours and Earnings, 2014-2021

13 Annual survey of hours and earnings - residents analysis, ONS 2021

14 Annual survey of hours and earnings - workplace analysis, ONS 2021

Population by age group

Dorset is the most aged part of the UK with considerably lower proportions of residents under the age of 50 (54% in Dorset compared to 62% nationally). The demographic, economic and social challenges presented by an **ageing population** are therefore more pronounced here, creating **a major component of the labour supply contextual perspective**.

Around 16% of Dorset's 776,780 residents are under 16 years of age (compared to 19% nationally) and 26% are aged 65 or over (with 19% national reference) which leaves us with just 58% of the population in working age versus 62% nationally (*Figure* 9) and these proportions are set to drop to 53% by 2040 bringing the county closer to a 1:1 dependency ratio (<u>ONS, Population</u> projections).

The simple conclusion is that there will be less labour resource – in proportional terms - available within the Dorset LEP area than typically found elsewhere. Moreover, with ageing continuing and 161,460 people in Dorset aged between 50 and 64, we can expect over a third (36%) of the current working age population to move into retirement age over the next 15 years.

A key influence on the scale and shape of future labour demand will therefore be related to 'replacement demand', which is expected to be much stronger than in other areas of the UK, although its exact nature and scale is difficult to confidently model.



Figure 9. Dorset and England population by age group. Annual Population Survey 2005-2020

Claimant Count

Whilst the claimant numbers had previously fallen between 2013 and 2017, there had been some increase in both local authority areas between 2018 and 2020. However, this coincides with the rollout of Universal Credit, now included in the claimant count that is making it difficult to discern the unemployment effects. In data terms, this is controlled by the alternative claimant count measure also shown in *Figure 10*, which suggests that significant part of the increase was due to the changes in the benefits system, rather than actual increase in unemployment over that period.

However, *Figure 10* illustrates the dramatic effect brought by the first wave of the pandemic and initial lockdown over the second quarter of 2020, causing unemployment related claimant numbers to almost triple in Dorset and remain stubbornly high for over a year. Fortunately, the Government's decision to maintain many of the coronavirus support schemes helped shield many displaced workers and prevent these numbers from translating into corresponding increase in unemployment, but there were 137 thousand people furloughed at some point over the 18 months before the Coronavirus Job Retention Scheme's closure in the end of September 2021. This represents 38% of all in employment in Dorset – a staggering figure painting the devastating effects that the pandemic could have caused on employment rates and having affected younger workers even more considerably. With a boom in job vacancies and a wide range of return-to-work interventions outlined in the Chancellor's Plan for Jobs, the number of people claiming unemployment related benefits however saw a month-on-month drop in 2021 from a peak in March and continued to decline after the closure of the furlough scheme over the rest of the year.

Dorset LEP monitors these measures and the effects of the pandemic through the Dorset Labour Market Insights dashboards published on <u>www.dorsetlep.co.uk/labour-market-and-skills-research</u>.



Figure 10. Claimant Count and Alternative Claimant Count. ONS Claimant Count & DWP Stat Xplore, January 2013-November 2021

Income, Employment and Education deprivation

Social mobility highlights how socioeconomic background and deprivation experienced early in life affects life outcomes. Alongside larger urban areas, poor social mobility tends to be a characteristic in many coastal communities. The measures monitored to understand these movements include factors such as child poverty, income inequality, access to stable housing, youth unemployment and gaps in school attainment etc.

These indicators demonstrate some difficulties across areas in Dorset. *Figure 11* shows the proportion of neighbourhoods in Dorset that fell within the 10% most deprived nationally for certain 'domains' on the latest available Index of Multiple Deprivation from 2019.

Dorset's pre-pandemic situation illustrates that whilst Dorset has an 'n'-shaped income deprivation profile (close to average), the average figures mask significant pockets of deprivation. Across the county 15 (3%) of the neighbourhoods fell amongst the 10% most deprived nationally and 31 were among the 20% most deprived in terms of income in 2019, accounting for <u>11% of BCP Council areas</u> and <u>9% of those in Dorset Council</u>.

There were also more areas in Bournemouth, Christchurch and Poole that fall amongst the most educationally deprived nationally¹⁵. In Bournemouth and Poole, those from affluent families scored 48 percentiles higher than those from the most deprived families in the age 16 (GCSE) test score distribution in what is among the widest gap in educational outcomes seen nationally¹⁶. Moreover, there are examples of postcode lottery across the county that pay off particularly poorly in terms of social mobility, Weymouth and Portland being defined as one of the worst performing areas nationally – a social mobility 'cold spot' ranked 322nd out of 324 local authority areas in the UK¹⁷.

In its third <u>State of the Nation report</u> from 2021 the Social Mobility Commission examined the effects of the pandemic on efforts to improve social mobility in the UK and revealed that every critical measure of low social mobility had suffered damaging effects, the pandemic widening the gaps between advantaged and disadvantaged and creating lasting effects.



Figure 11. Proportion of neighbourhoods in the 10% most deprived nationally. IMD, 2019

15 English indices of deprivation 2019, <u>LA maps</u>

¹⁶ Social Mobility Commission - <u>The long shadow of deprivation, 2020</u>

17 Social Mobility Commission - State of the Nation $\underline{2017}$

Skills Supply

Summary

Dorset has a well-educated workforce and a varied post-16 education provision with extensive range of courses and relatively good performance in skill levels and educational attainment. However, there is significant variability in young people's outcomes determined by their background and the place they live in and overall lower propensity of young people to continue in educational destinations beyond the mandatory levels. There is a gap of workforce proportions with higher qualifications, an ongoing downward trend in adult participation in learning and continued decline in apprenticeships.

- Key stage 4 (GCSE and equivalent) destinations in Dorset closely mirror the national profile.
- The vast majority (95%) of pupils were in sustained destination the following year, higher proportions than nationally were in apprenticeship and those continuing to further education increased by 3 percentage points on the year.
- Disadvantaged pupils were three times more likely to enter a transient state 1 in 10 did not have a sustained destination, compared to 1 in 30 of their non-disadvantaged peers – raising concerns that they move into a transient state at 16 years of age i.e. temporary employment, unemployment or other forms of support.
- **Post 16-18 studies (A Levels or equivalent)** destinations differed more markedly from those nationally, explaining some of the local workforce qualifications variability.
- While the overall share in positive destinations (80%) closely follows that in England, there was considerable disparity by level of study and place.
- Two thirds (71% 4pp[↑] from previous year) took qualifications at Level 3, 16% at Level 2 and 14% - other qualifications with students on lower-level qualifications considerably less likely to have a sustained activity one year after completion.
- Destinations also markedly varied for disadvantaged students who were less likely to have an overall sustained destination and this gap has widened.
- Largest deviations from the average profile occurred in the proportions of young people entering employment and education in Dorset with markedly higher proportions than nationally entering employment and lower - education with fewer choosing to continue into higher education in Dorset.
- Dorset's Workforce (16–64-year-olds) is relatively well educated.
- Declining and smaller than national proportions are educated below Level 2. Yet working age people educated below that level widely regarded a benchmark for employability still represent a fifth of the workforce.
- Workforce proportion educated to higher level in Dorset is lagging behind national references in recent years, reaching a gap of 4 percentage points. Higher qualifications proportions are also unevenly spread indicating challenges with aspiration at lower geographies.

Participation in education and training across the life span as well as increased apprenticeships participation and graduate retention are expected to play key role in responding to the labour market demand and offer the best career pathways. Evidence shows that apprenticeships in particular are amongst the most effective interventions to improving social mobility, life outcomes, professional employability, and earnings.

- Apprenticeships are an essential tool in providing successful career pathways and the evidence supporting that is particularly strong in Dorset.
- Apprenticeships had the highest positive destination rate (92%) and average earnings (c£20,950 per annum) 12 months after completion.
- Apprenticeships are also identified as essential in responding to employer need. In Dorset,
 91% of completed apprenticeships ended in sustained employment 2 percentage points higher than the rates seen nationally.
- Apprenticeship participation however continued to deteriorate, apprenticeship starts dropping by a fifth on pre-pandemic levels with subject areas such as travel and tourism, retail, as well as engineering and manufacturing and ICT affected the most in terms on new starts raising concerns on pipelines and leading to an overall STEM starts decline.
- Despite the overall fall in apprenticeship starts, higher apprenticeships doubled and accounted for a third of all starts in 2020/21 from under a tenth back in 2017/18.
- There was also an upsurge in apprenticeship achievements, likely driven by disruptions and breaks in learning experienced over the previous year.
- Further education and skills adult learning in Dorset offered positive outcomes that were more favourable than seen in England across most levels of study with broadly two-thirds moving into sustained employment and a quarter into sustained learning. However, delivery statistics show there were circa 8,000 (28% ↓) fewer adult FE learning participants in 2020/21 compared to 2014/15 and 15% of the drop occurred over the past two years. Adult participation decline was noted across all types of providers and most subject areas except Healthcare.
- **Higher education** demand has continued to blossom over the past two years possibly in response to the surge in youth unemployment seen throughout the pandemic.
- Data provided by Bournemouth University shows a surge in applications by a quarter and the proportion of local enrolments increasing and roughly representing half of all Dorset 16-18 study completers in HE destination.
- Graduate outcomes have worsened nationally, and this was reflected locally with 4 percentage points decline from the previous year, however they remain strong with 88% of those graduating from the three local universities in work or further study 1 year after graduation.
- Graduate retention as suggested from recent available data has seen some recent decline. Graduate retention data at regional level indicates that 1 year after graduating from an HE institution in Dorset, less than a third of graduates have chosen to live in the South West, which marks a 5-percentage points decline on the previous year.

Qualification levels

Over the past decade, the workforce in Dorset has broadly mirrored the strong national pattern of increased proportions of higher-level qualifications and shrinking pool of people with no formal qualifications (*Figure 40*). This trend is largely associated with the expansion of higher education and illustrate a significant structural change taken place over a relatively short period. The biggest increase since 2010 is in Level 4+ qualifications which grew by 30%.

However, the increase in Dorset was lower than seen nationally. While Level 4+ qualifications increased significantly in absolute terms, they have not done so well in relative terms (*Figure 41*). In 2014, the proportion of Dorset workforce qualified to Level 4 and above slightly exceeded the national average, but progress since then has been marginally slower. Consequently, the estimated proportion of Dorset's workforce educated to higher level has now fallen behind the levels seen nationally (by 4 percentage points, see *Figure 41*).

The trends of increased higher qualifications have also been uneven across the county. There are slightly lower proportions qualified to Level 4 and above in Dorset Council (38%) and proportions stalled over that period in West Dorset. These geographical differences in localities are illustrated in *Figure 42*.

Over the same period, the proportion of working age people with no formal qualifications across the county fell to 5%, compared to the England average of 6%. Still, a fifth of the working age population in Dorset (20%) and nationally (22%) does not hold a Level 2 qualification, which is regarded a benchmark for employability.



Figure 12. Qualifications of people aged 16-64, Annual Population Survey, January-December 2020

FE Education & Training Achievements

Decline in adult further education since 2014/15

Significant national shifts in adult education and training have led to a sustained decline in participation over recent years. A combination of longstanding cuts in funding and changes in policy and eligibility for the adult education budget has had a considerable impact on the propensity of providers to offer subsidised learning opportunities, and for individuals to pursue a learning opportunity.

Consequently, adult education participation has declined by over a third (37%) nationally between 2014/15 and 2020/21 and by 28% in Dorset with circa 8,000 fewer adult FE learning participants in 2020/21 compared to 2014/15 (*Figure 43*). Larger falls in participation and achievement in that period occurred in Dorset Council area, where they declined by 36%, albeit this reflects a change in local authority structures, so should be read with caution. The decline illustrated here reflects adult learners even though it also occurred among those aged between 16 and 19, partly reflecting cohort demographics, with fewer 16-18 year olds coming through the education system over that period. Based on demographic projections this trend will be reversed over the coming few years with over 2600 more 13-16 year olds expected in Dorset in 2024 compared to 2021 (Population projections – local authorities - Office for National Statistics).

Effects on participation throughout the pandemic 2019-20 and 2020/21

The latest annual estimates cover the period affected by COVID-19 and the associated restrictions and unsurprisingly illustrate further strain on participation throughout the pandemic, with a 15% decline occurring in Dorset (21% in England) over the past two academic years. It has to be noted however that these figures reflect both FE provision and provider reporting behaviour via the Individualised Learner Record, both impacted by the pandemic and extra care should be exercised in comparing between academic years and interpreting data over recent years.

In terms of subject areas, Dorset's adult education and training achievements largely follow the national picture, with higher proportions of achievements in health, public services and care in Dorset, which reflect the local labour demand (Figure 13).

Most education and training adult skills sector subject area achievements saw significant decline in 2020/21 when compared to 2018/19 with 'Preparation for Life and Work' marking the highest drop in numbers with over 2000 fewer achievements, but decline was also substantial in construction, engineering and business – all seeing over 500 less achievements in 2020/21 and healthcare the only sector subject area where achievements saw a modest uplift.



Adult education and training achievements by sector subject area, 2020/21 - England



Figure 13. Adult education and training achievements – Dorset LEP and England Explore education statistics – Further Education and Skills 2020/21

Apprenticeship Achievements

Apprenticeship achievements uptake after a year of disruption

A positive development noted over 2020/21 is the increase in apprenticeship achievements on the previous year, picking up by 6% in England and 10% in Dorset, yet they mark a fall on pre-pandemic levels in 2018/19 and the uplift is likely affected by disruptions, breaks and delays in learning. Whilst seeing an increase this year, overall achievements are still modest and represent around 57% of starts in Dorset vs 49% nationally. Apprenticeship achievement rates require close monitoring as indicate attrition concerns (Figure 47).

Apprenticeship achievements subject areas – As seen in Figure 14, apprenticeships achievements directly respond to local employer needs – with manufacturing and engineering as well as health, public services and care being most prevalent and making up half of all achievements over the past academic year. Whilst decline in the number of achievements occurred in most subject areas in 2020/21 when compared to prepandemic levels (2018/19), travel and tourism were hardest hit (67% \checkmark). In proportional terms, technical subject areas were more prevalent in Dorset with engineering and ICT making up almost a half of all achievements (45%) compared to a quarter in England.

Apprenticeship starts decline by a fifth on pre-pandemic levels

Responding to national trends, Dorset saw apprenticeships starts dropping by more than a third between 2016/17 and 2020/21 (*Figure 44*): 19% decline recorded in starts over the past two years alone which is in line with aggregate decline nationally.

Prior to the pandemic, the decline was largely associated with the 2017 reforms that introduced the apprenticeship levy and service and changed the funding regimes with an emphasis on higher-level qualifications. Consequently, the decline in participation nationally is driven by a rapid decline in intermediate level, whilst in contrast, higher apprenticeships have increased steadily over the same period (DfE Apprenticeships and Traineeships 2020/21).

In Dorset, both Intermediate (Level 2) and Advanced (Level 3) apprenticeships starts declined by 38% since 2018/19, while Higher (Level 4) apprenticeships continued to grow, despite the overall fall in starts reported in 2020/21. Higher apprenticeships doubled and accounted for a third of (34%) of all starts in 2020/21 from just 7% in 2017/18 (Figure 46).

It is yet to transpire whether this translates in completion rates over the coming years, as currently Level 2 and 3 account for over 87% of all achievements in Dorset.

Over the past two years the starts in the subject areas most affected by the pandemic include travel and tourism with a striking 83% fewer starts in 2020/21 when compared to pre-pandemic levels (2018/19) followed by the second most significant decline ($61\%\Psi$) in engineering and manufacturing. At the same time, education and training starts more than doubled and healthcare starts increased by 44% (*Figure 45*). These developments paint a complex picture of considerable distress across sectors.



Apprenticeship achievements by sector subject area, 2020/21 -England



Figure 14. 2020/21 Apprenticeship Achievements by sector subject area Dorset LEP and England. Explore Education Statistics - Apprenticeships and traineeships 2020/21

While Dorset has traditionally maintained significantly higher proportions of STEM apprenticeships than nationally, this trend has changed in 2020/21 with substantial on year **decline of starts in engineering and manufacturing (59%**) and **ICT (36%**) leading to the overall proportion of STEM starts to decline from 44% in 2018/19 to 27% in 2020/21 in what is a worrying trend, which is possibly exacerbated by the decline in Intermediate and Advanced apprenticeships, which have higher proportion of STEM.

HE Qualifiers



Figure 15. Dorset 2019/20 HE Qualifiers by Subject, HESA (published 2021)

With close to 6,800 graduates qualifying in a range of specialisms each year from Dorset's three universities, these institutions play a critical role in attracting and retaining high skilled global talent to Dorset (<u>HESA HE Qualifiers</u>). Their specialism areas contribute to the skills and industry mix of the local economy with higher-than-average representation of qualifiers in creative arts and design, business, communications, as well as subjects allied to medicine and computer science, reflecting the specialist strengths our local institutions are recognised for.

The high demand for places has continued to blossom over the past two years in a testimony to the quality of provision but also as a possible response to the surge in youth unemployment seen throughout the pandemic. The applications to enrolments ratio for local institutions broadly equates to 5:1 – although that differs by institution/ subject.

Data provided by Bournemouth University shows a surge in applications over the past two years with latest admissions cycle from 2021/22 seeing numbers rising by a quarter on the previous year. The proportion of local enrolments also increased to 21% of all enroled in 2019/20 originating from Dorset, which roughly represents half of all 16-18 completers in Dorset with HE destination (see Key stage 5 destinations)



Figure 16. England 2019/20 HE Qualifiers by Subject, HESA (published 2021)

Key stage 4 destinations

What do young people in Dorset go on to do after year 11?

The vast majority (95%) of the 6930 pupils finishing key stage 4 (GCSE and equivalent) in state-funded mainstream schools in Dorset in 2018/19, continued in sustained education, apprenticeship, or employment destinations in the following year (2019/20). This is marginally higher than nationally (94%) but marks a small 1 ppt drop from the previous year (*Figure 48*).

The most common destination is education (86%) albeit slightly lower than nationally (87%). Proportions of pupils in sustained education have remained stable since 2013/14 - up 4.5 percentage points since 2010/11, reflecting the statutory requirement being introduced in 2013. Dorset's pupils were also more likely to be in an apprenticeship destination (4.6% vs 3.7% in England).

Almost half (48% - down 3ppts) of the cohort went to school sixth form and 37% to Further Education (3 ppts on year increase). Disadvantaged pupils (eligible for pupil premium) were far more likely to go to further education (51%), highlighting the colleges' important role in improving the life outcomes and tackling disadvantage.

There were 4.5% of pupils in Dorset and 5.1% in England without a sustained destination and 1.1% of year 11 leavers were not captured in the data sources.

The outcomes for disadvantaged young people continue to be considerably less favourable. They were three times more likely to enter a transient state – 1 in 10 did not have a sustained destination one year following key stage 4, compared to 1 in 30 of their non-disadvantaged peers (Figure 49).



Figure 17. KS4 destinations in 2019/20 of 2018/19 leavers, DfE, (published 2021)

Key stage 5 destinations

Post 16-18 study sustained destinations

In Dorset, **80% of the 6,604 students** who reached the end of key stage 5 (A Levels or equivalent, aged 16-18) in state funded schools and colleges in 2018/19, had a sustained education, apprenticeship, or employment destination in the following year - only slightly lower than the previous year (0.6 percentage points) and the national average (0.3 percentage points). There was significant geographical variability with proportions lower in Bournemouth, Christchurch and Poole (79%) than in Dorset Council area (82%) with Bournemouth West having the lowest (72%) and Mid Dorset and North Poole the highest (88%) proportions of young people in sustained positive destinations.

Destinations comparison with national

Compared to key stage 4, post 16-18 destinations differ more markedly from the national reference. While the overall share in positive destinations closely follows those in England, young people in Dorset were more likely to be in employment (31%) than nationally (25%) and less likely to be in education (41% compared to 47% national average). Again, illustrating variability within places, more than half (59%) of Bournemouth East students were in education and only 29% of Bournemouth West.

Educational destinations

In terms of educational destinations, one in ten went onto further education, which was in line with the England average, whilst **28% continued in higher education, which was lower than the 35% national reference.** Analysis of Dorset provider data suggests the majority choose a Dorset-based institution for their studies with half of all with HE destination going to Bournemouth University.

Lower geographies in Dorset also reveal significant disparities with more than a half of those in Bournemouth East (52%) moving into higher education compared to just over one in ten of those in South Dorset (12%). Conversely, South Dorset had the largest proportion of students continuing into further education (21%).

Destinations of disadvantaged young people

Destinations markedly varied for disadvantaged students (*Figure 50*) across all measures. For example, those who were eligible for pupil premium in year 11 in Dorset were 10 ppt less likely to have an overall sustained destination compared to their nondisadvantaged peers and this gap has widened by 3 ppts from the previous year. Young people from disadvantaged backgrounds were also over twice more likely to enter an un-sustained destination than their non-disadvantaged peers.

Destinations by qualification levels

Two thirds (71% - 4pp↑ from previous year) of young people who reached the end of 16 to 18 study at state-funded mainstream schools and colleges in Dorset took qualifications at Level 3, 16% at Level 2 and 14% took other qualifications.

Whilst there has been some improvement on previous years, those, completing lowerlevel qualifications continue to be less likely to have a sustained outcome.

- Only 10% of Level 3 students entered an un-sustained destination compared to 18% of those who took level 2 and 27% of those who took lower qualifications.
- While 85% of those who studied at Level 3 had a sustained destination, the corresponding numbers for level 2 and below were 76% and 62%.
- Level 3 students mostly continued in education, albeit in lesser proportions than nationally, while those studying at lower level tended to go into employment and apprenticeships. These trends were more pronounced in Dorset.



Figure 18. KS5 destinations DfE, (published 2021)

Adult FE and skills

In terms of destinations for adult FE and skills, they were more favourable in Dorset than in England across most levels of study with broadly two-thirds moving into sustained employment and a quarter into sustained learning.







Figure 20. England FE outcome-based success measures, 2018/19 destinations, DfE, (published 2021)

In general, the proportions of individuals who move into a sustained employment destination tends to peak for those who complete Level 4 qualifications, while Level 3 and lower qualifications are more likely to continue into another form of sustained learning. Whilst this tendency has largely sustained across England, this year the performance at Level 4 in terms of employment in Dorset has deteriorated in relation to the previous year cohort (down 21 percentage points).

These outcome measures demonstrate the effective pathway that adult learning provides to many learners in Dorset. The high proportion of those who have moved into either employment or further learning shows it often provides a steppingstone to opportunities.

There were 6,780 adult learners in Dorset who achieved an FE education & training course in 2018/19, a 13% increase on the previous year and 77% had a sustained positive destination in the following year (with 72% national reference), which has increased from 75% back in 2015/16.

The proportion of adult learners who were in sustained employment (66%) was 6ppt higher than nationally and had also increased over time (by 5ppt since 2013/14), however has declined on the previous year across all levels of study, most markedly at level 4, which was partially compensated by an increased propensity of learners to continue in educational destination.

Most of adult learning takes place at Level 2 and below including basic skills. As would be expected, achieving higher-level qualifications was more likely to secure a sustained positive destination¹⁸, with many moving onto learning at higher levels.

Proportion of learners by level of stud	dy:	Average sustained positive destination by qualification levels:	n
Basic Skills	22%	Basic Skills	80%
Below Level 2 (excl Basic Skills)	18%	Below Level 2 (excl Basic Skills)	59%
All Level 2 (excluding Basic Skills)	51%	All Level 2 (excluding Basic Skills)	80%
All Level 3	8%	All Level 3	87%
Level 4 and Level 5	1%	Level 4 and Level 5*	90%
		* based on low number of students	

The subject areas with largest number of learners were 'Preparation for Life and Work' which increased 16-fold and 'Health, Public Services and Care' almost tripled since 2015/16. Increase of learners also occurred in Engineering and Business, while decline has noted in Retail, Science and Maths and ICT.

Subject areas where proportions of sustained positive outcome exceeded 80% were in Engineering, Healthcare, Business and Law, Arts, Media and Publishing, Education, Science and History (*Figure 51*). ICT had the lowest rate with just 56% recording sustained positive destinations.

Subject areas with highest sustained *employment* destinations rates were Education and Training, Business, Admin and Law, Health and Care as well as Engineering and Manufacturing (all with 77%+), while subjects such as History. Philosophy and Theology and ICT had the lowest *employment* rate with less than 50%, which is in stark contrasts to apprenticeships in these subject areas where employment rate was as high as 93%.

¹⁸ Positive destination in this context is either a sustained employment and/or further learning outcome

Apprenticeship destinations

The evidence that apprenticeships play an essential role in providing successful career pathways is particularly strong.

In Dorset, 91% of completed apprenticeships ended in sustained employment - 2 percentage points higher than the rates seen nationally.

Positive differential exists across all apprenticeship levels except Level 3 (Advanced) where employment rate was in line with national rates.





Figure 21. Destinations in 2019/20 of Apprenticeships achievements from 2018/19 academic year. Dorset LEP and England - FE outcome-based success measures, DfE, (published 2021)

- Comparing favourably to other learner cohorts, apprenticeships had the highest positive destination rate (92%) and average earnings (c£20,950 per annum) 12 months after completion. FE Education & Training references were 77% in positive destinations and a medium annual wage of £17,640.
- ✓ In 2018/19 there were over 3,650 apprenticeships achieved in Dorset which was over a fifth lower than the previous year. Half (49%) of the achievements were at Level 2 (Intermediate) and 46% at Level 3 (Advanced) with intermediate completions seeing the largest drop of 29%. Highest declines in achievement by subject area occurred in Health, Public Services and Care, Business and Law and Retail, while the most achievements were in Engineering and Manufacturing, accounting for a third (32%) of all apprenticeship completions in 2018/19.
- There is a reasonable differential between the apprenticeship levels. Higher apprenticeships had the highest employment rate (95%) and highest average earnings (£28,940), but also far fewer achievements. This compares to 91% employment rate and £19,040 average earnings for intermediate apprenticeships.
- Average apprenticeship earnings differed considerably across subject areas. For example, average salaries in ICT reached £30,400 and £23,030 in Engineering and Manufacturing whilst Education and Training and Travel and Tourism were at the other end of the spectrum with £12,570 and £15,180 respectfully.
- Sustained employment destinations were high across the board and exceeding 90% in subject areas such as ICT, Engineering, Business, Law, and Healthcare. Employment was lower in Leisure, Travel and Tourism (82%), while Construction and Planning was the area with the highest proportion of self-employed – almost a fifth of all apprentices in sustained employment destinations were self-employed.

HE graduates destinations

According to the latest Graduate Outcomes survey, employment outcomes across England have worsened for those who graduated in 18/19 compared to those graduating a year earlier and this was reflected locally.

In Dorset, 88% of the survey respondents were in employment or unpaid work, including those who were engaged in further study, which was down 4 percentage points from the previous year, but was in line with the national average.

Around 74% of those who completed higher education in Dorset throughout 2018/19 (down from 80% in previous year) and 67% of those in England (down from 70%) were either in full-time or part-time employment one year after graduation. Around 8% of the surveyed graduates in Dorset were unemployed, which was higher than the 6% national average although a proportion was due to start work or studies soon.

Approximately, 13% of Dorset graduates (these are individuals who graduated from Dorset HE institutions rather than being domiciled in Dorset) and 18% on average of those graduating in England move into further study, often combining that with some form of employment.

At an institutional level -the local universities are performing relatively strong.

The latest data indicates that 89% of graduates (undergraduate and postgraduate) from Bournemouth University, 85% from Arts University Bournemouth and 80% from AECC University College were in either employment or/and further study 12 months after leaving the institutions, with higher-than-average proportions of graduates from BU in full-time employment (63% vs 56% nationally) AUB graduates in part-time employment (24% vs 11% nationally) and AECC graduates engaged in travelling or caring activities (10% vs 5% in England).

In terms of salaries, for Bournemouth University the evidence suggests that the initial earnings post-graduation tend to broadly match the national profile. Just over-half (c53%) of graduates earned above £24,000- comparable to national profile. In comparison, initial earnings at AUB tended to be lower – with approximately a quarter earning more than £24,000. This may reflect the greater tendency for creative industry graduates to be self-employed or enter unpaid or voluntary starting positions.




Graduate retention

Graduate retention and Dorset's ability to provide the quality employment opportunities to incentivise more graduates to stay in the area remain key areas of work, however the latest available data points out some recent decline in that domain.

Fully understanding the graduate retention picture is constrained by a lack of granular data of where graduates specifically choose to live after graduation. However, reasonably robust data available at a regional level indicates that one year after graduating from an HE institution in Dorset, **less than a third of graduates have chosen to live in the South West, which marks a 5-percentage points decline on the previous year.**

Over a half of graduates live in either London or the South East, the latter currently attracting the largest proportion of graduates. Presumably, this reflects the employment and earning opportunities and is also where many of the students in local institutions originate from.

Provider analysis of the 2018/19 Graduate Outcomes survey from Bournemouth Universityindicates some net loss of talent with around a fifth of BU's students originating from Dorset on average and 17% of its employed graduates remaining within Dorset. This marks a decline by 6 percentage points from the 2016/17 Destinations of Leavers survey but these figures are not completely comparable or controlling for graduate characteristics so should be read with caution.



Figure 23. Graduate Outcomes of those who graduated in Dorset in 2018/19 Graduate outcomes (LEO). Provider level data, 2018/2019. Published 2021

Employer provided training



Figure 24: Employers providing training or funding training in the last 12 months – Employers Skills Survey, published October 2020

Figure 24 shows the latest Employer Skills Survey results on employer investment in training which illustrated a continued decline in employer investment in training. The survey however was undertaken in 2019 and does not reflect the significant turbulence of the past two years, where changes in organisational operations, accelerated technological change and growing labour shortages meant increased demand for new skills.

With that in mind, it shows that prior to these developments only 28% of employers in Dorset had provided both on-and-off-the-job training over the previous 12 months, which was lower than in England. It also showed 40% of the employers had not provided any training. Of those organisations that did not provide any training, c70% stated that they felt that all their staff were already fully proficient and did not require any further training. Other significant reasons stated that training was not currently considered a priority (12%) and almost one in 10 said there was no relevant training provision in their area (8%).

Low employer investment in training is recognised as one of the contributors to the 'productivity puzzle'. Given the latest developments, job-related training will be crucial in responding to the ongoing waves of change, as well as an important contributor to innovation, productivity, and wage growth.

Consultations with the Dorset and Somerset Training Provider Network for this report offered anecdotal evidence that employer demand for training has increased locally throughout the pandemic, and there is elevated interest in apprenticeships and other staff development interventions, but such trends are yet to be supported by delivery evidence.

Skills Demand

Summary

Dorset has a robust labour market as demonstrated by job vacancy figures holding up relatively well historically and bouncing back to record levels in the aftermath of pandemic disruption across industries and occupations.

Vacancy and recruitment activity

- Overall, 2021 was a roller-coaster in terms of recruitment. In stark contrast to 2020 when the press was flooded with employers reporting drowning under a sea of job applications and analysts were competing over projected surge in unemployment, the narrative transformed to a job seekers market and labour shortages. Despite fluctuations over the course of the year however aggregate demand in 2021 was the highest on record.
- As recruitment activity recovered, 2021 saw demand exceeding pre-pandemic levels across many sectors with those most hit from the first wave of the pandemic experiencing largest rebound. The greatest growth on previous year was in tourism and hospitality, ICT, construction, and arts and entertainment – all with 90%+ more vacancies in 2021 and individual job groups within these sectors such as catering managers, painters and decorators and landscape gardeners tripling over the year.
- Looking at long term industry demand trends, there was vacancy growth across all sectors over the past decade, albeit with some fluctuations over the years and noted volatility in the hospitality sector. Significant growth in Dorset was recorded in education and public administration and defence; demand was largely maintained in financial and professional, scientific and technical activities, and Healthcare was the one sector that stood out in its strong and persistent year on year growth in demand a national trend, exasperated by ageing demographic and added pandemic pressures.
- Similarly, all occupations saw an increase on their long-term demand. Of the 2021 vacancies, high skilled occupations accounted for 50% of the demand, mid-range skilled for 30% of and lower-skilled for 20%. The high skilled labour market for college and university graduates is strong. Professional jobs demand saw an 80% increase in 2021 on their 2012 numbers. Similar growth was recorded across elementary low skilled roles over this period, but the highest increase by far (150%) was for caring roles.

Employment projections

• Dorset's industries are projected to largely maintain their employment levels and where decline is expected, it will be marginal over a 10-year period. Unsurprisingly, highest growth is expected in healthcare with projected expansion of c.7,000, and business/ support services with c. 6000 more jobs by 2027. Business/ support services growth is accounted by professional, business support and IT services, as well as arts and entertainment.

- Recent developments and projections show substantial growth in building and construction over the coming years with uplift in housing and regeneration projects, as well as energy efficiency and retrofitting requirements of Net Zero transitioning. As for retail, tourism and hospitality, these sectors were subjected to major shifts over the past two years, but also record spikes in demand, thus forecasts at this time are still inherently uncertain.
- Despite modest employment growth projections for engineering, manufacturing, agriculture and defence, mainly accounting for automation potential, there are exciting economic opportunities within these sectors in Dorset going forward. There are growth areas identified in advanced engineering, agri-tech, defence and cyber security and Dorset's aquaculture is recognised as a high potential opportunity by the Department for International Trade, so the demand for new skills and fresh talent taking on emerging job opportunities is on the rise.
- Within all sectors in Dorset new job growth pales in comparison with projected replacement demand which will have a substantial impact on most occupations and industries. These projections estimated an overall c.26,000 new jobs to be created (between 2017-2027) while vacancies created through replacement to be over 132,000 circa 5 times higher.
- In terms of occupational projections the shift of demand in favour of high-skilled and mostly professional occupations is forecasted to be a major trend for the future as well as a growing surge in caring roles. In contrast, declines are projected for all mid-and-low-skilled roles except for caring roles. Roles such as administrative & secretarial, skilled trade occupations and process, plant and machine operatives are set to see a decline in part to reflect greater automation and machine learning applied to augment some of these roles and create new higher skilled roles in their place. Thus, while minimal change in the occupational makeup across industries is projected in the near term, growth of employment is mainly concentrated in professional and caring occupations.

Skills that need developing

- Consequently, forecasting models show a continued shift to high-level qualifications within the workforce with c55% holding a Level 4+ qualification and the proportion of those with Level 1 or no formal qualifications is expected to further decline.
- Large proportions of employers felt their workforce needs to learn and adapt to new equipment or materials at work and a third of employers in Dorset needed staff to develop advanced or specialist computer skills, which exceeded the proportions that required basic computer literacy.
- This is in line with considerable demand for STEM skills in Dorset based on vacancy data. There were 11,880 STEM vacancies advertised throughout 2021 (15% of all Dorset vacancies). Within the group of STEM vacancies, the highest demand was for programmers and software developers/ engineers (c. 2345) representing 2.9% of all vacancies in Dorset.

Online vacancies

Monthly Vacancies (2019, 2020, 2021)



Figure 25. Dorset LEP Vacancies, January-December 2020 vs 2019. Burning Glass Technologies: Labour Insight. 2021 see <u>Vacancies and opportunities | Dorset LEP</u>

Dorset's local labour market is characterised by some robustness as demonstrated by historic job vacancy figures (*Figure 53*) showing overall labour demand holding up well and bouncing back relatively quickly after spells of economic uncertainty.

The Covid-19 pandemic and the related economic and social restrictions arrived at what was a pre-existing state of subdued economic and labour market activity with the prolonged economic and political uncertainty of Britain's exit from the EU. The combined impact resulted in two consecutive years of subdued labour demand which spilled into the early 2021 (*Figure 25*).

However, the second quarter saw the summer arriving in Dorset and most of the economy opening after an important milestone of 1 million vaccines administered was reached. There was a renewed optimism and while football didn't come home, nearly half a million visitors did - in a single weekend in July, marking the start of Dorset's staycation season.

Switching the entire economy on created a unique spike in labour demand with an unseen peak in vacancies. As the employment indicators were holding up well and the number of job candidates fell, businesses were trying to fill their increased demand from a small and shrinking talent pool.

Overall, 2021 was a roller-coaster of a year in terms of recruitment. In stark contrast to the summer of 2020 when the press was flooded with employers reporting they were drowning under a sea of job applications and analysts were competing over their projected surges in unemployment, 2021 changed the narrative to widely reported labour shortages and a job seekers market. Demand fluctuated considerably over the course of the year and with a nosedive ending, aggregate demand was the highest on record.

Demand grew on pre-pandemic levels across all industries

As recruitment activity recovered remarkably in 2021, labour demand picked up across all industries in Dorset, with sectors most hit from the first wave of the pandemic seeing the biggest rebound in demand.

- The greatest growth on previous year was recorded in tourism and hospitality, ICT, construction, and arts and entertainment – all with over 90% more vacancies in 2021 compared to 2020, when recruitment plummeted in these sectors. Individual job groups such as catering managers, painters and decorators and landscape gardeners tripled over the year.
- ✓ Not all growth in demand was linked directly to the pandemic fluctuations and the year saw strong jobs market exceeding the pre-pandemic levels across many sectors (Figure 55).
- Looking at long term industry trends (Figure 54), there was vacancy growth across all industries over the past decade, but the strong and consistent year on year growth in demand in the Healthcare sector was most remarkable - a trend expected to continue over the coming years.
- ✓ Other industries with significant growth include education and public administration and defence while demand was *largely maintained* in financial and professional, scientific and technical activities. There is **some volatility** in the hospitality sector demand over the years.

All occupations saw an increase on their long-term demand

High skilled roles accounted for 50% of the demand, mid-range skilled for 30% of and lower-skilled for 20% of the 2021 vacancies.

The high skilled labour market for college and university graduates is strong. Professional jobs demand saw an 80% increase in 2021 on their 2012 numbers. Similar growth was recorded across elementary low skilled roles over this period, but the highest increase by far (150%) was for caring roles. Care workers, nurses and software developers are traditionally most in demand in Dorset, and over the past year sales and administrative joined the top 5 occupations in demand.

An area of demand that stands out in Dorset

Healthcare, and the **care sector** where **demand is notably higher in Dorset than elsewhere in the UK** (c.16,880 jobs in 2021, accounting for 21% of all vacancies, compared to 13% in UK)

- ✓ With c 7,600 vacancies, the National Health Service was by far the largest individual employer and a significant source of labour demand and care firms were also among the top employers.
- Unsurprisingly, care workers and nurses were the jobs most in demand, jointly account for 11% of all advertised jobs over the year (Figure 26).
- Social and residential care sector in Dorset is seeing demand of higher rates than the rest of the UK and expected to increase further due to Dorset's demographic profile. There are consistent shortages in this area due to the relatively low pay and high physical demand, which is making the attraction and retention of workers progressively challenging in a post-Brexit climate.



Figure 26. Top occupational groups as a proportion of all vacancies. Dorset LEP 2021. Burning Glass Technologies: Labour Insight. 2021

Sector growth forecasts

Table 1. Sectors with highest and lowest forecast growth, 2017-2027, Working Futures (published 2020)

Working Futures study 2017-27 projections remain an authoritative source of key insight on longterm structural labour market trends at national and local level, but should be interpreted with care as published prior to the coronavirus pandemic.

The survey estimated Dorset's industries to largely maintain their employment levels over the coming years (see projected breakdowns by industry in Table 3) and where decline is expected, it was marginal over a 10-year period.

The highest growth and notable increase was expected in healthcare and business and support services with projected expansion of c.7,000 and c. 6000 jobs respectively over the studied period (2017-27). Business and support services growth is largely accounted for by growth in professional services, business support, IT and arts and entertainment. Sectors with highest forecast growth (2017 - 2027)Health and social work 1) 2) Professional services 2) Support services 3) Information technology 3) Arts and entertainment 4) Construction 4) Retail, Tourism & Hospitality Sectors with lowest forecast growth (2017 - 2027)Manufacturing and Engineering 1) 2) Agriculture 3) Public admin. and defence

Working Futures also predicted a modest growth in construction and retail, tourism and hospitality. In the hindsight of recent developments and projections commissioned by local councils however we can expect a substantial growth in building and construction over the coming years with uplift in housing and regeneration projects, as well as energy efficiency and retrofitting requirements of Net Zero transitioning – all expected to exponentially boost the demand in the sector. As for retail, tourism and hospitality, these sectors were subjected to major shifts over the past two years, but also record spikes in demand, thus forecasts at this time are still inherently uncertain and volatile.

Despite modest employment growth projections for engineering, manufacturing, agriculture and defence, mainly accounting for automation potential, there are exciting economic opportunities within these sectors in Dorset going forward. There are growth areas identified in advanced engineering, agri-tech, defence and cyber security and Dorset's aquaculture is recognised as a high potential opportunity by the Department for International Trade, so the demand for new skills and fresh talent taking on emerging job opportunities is on the rise.

Within all sectors in Dorset new job growth pales in comparison with projected replacement demand which will have a substantial impact on most occupations and industries. As seen in Figure 58, there was an estimation that c.26,000 new jobs will be created (between 2017-2027) while job vacancies created through replacement were estimated to be over 132,000 - circa 5 times higher.

Occupation growth forecasts

The latest work undertaken by Working Futures (pre-pandemic) forecasts a shift of demand in favour of high skilled occupations to be a major trend for the future as well as growing surge in caring roles.

As shown in Table 4, using the Standard Occupation Classification (SOC), we can define high-skilled occupations as those that fall within SOC categories 1 to 3 (management, professional and associate professionals) and generally require a graduate level education. These, as shown in Figure 56 are all projected to see some growth, but it is mainly concentrated in professional occupations.

In contrast, declines are projected for all mid-and-low-skilled roles except for caring roles, where the highest growth is foreseen by 2027 (*Table 2*). Roles such as administrative & secretarial, skilled trade occupations and process, plant and machine operatives were set to see a decline in part to reflect greater automation and machine learning applied to augment some of these roles and create new higher skilled roles in their place.

The resulting occupational structure within industries is presented in Figure 57 illustrating minimal change in the occupational makeup across industries is projected in the near term, but growth of employment is mainly concentrated in professional and caring occupations.

The most notable increase is seen in non-marketed services (mainly in healthcare and education) where there is a projected need for c5,000 more professionals and c5,000 more carer roles while business services will require c. 3000 more professionals over the studied period (2017-27).

Consequently, forecasting models show a continued shift to high-level qualifications within the workforce - with c55% holding a Level 4+ qualification. The proportion of those with Level 1 or no formal qualifications is expected to reduce from 1-in-8 to less than 1-in-10.

Dorset LEP				
Occupations with highest forecast growth (2017-2027)		Occupations with lowest forecast growth (2017- 2027)		
1)	Caring personal service occupations	1)	Secretarial and related occupations	
2)	Corporate managers and directors	2)	Process, plant and machine operatives	
3)	Health professionals	3)	Textiles, printing and other skilled trades	
4)	Business/ public services associate professionals	4)	Skilled metal, electrical and electronic trades	
5)	Elementary admin service occupations	5)	Administrative occupations	

Table 2. Occupations with highest and lowest forecast growth, 2017-2027, Working Futures (2020).

Skills that need developing



Figure 27. Skills that will need developing in the next 12 months. Employer Skills Survey, 2019 (published 2020)

The Employers Skills Survey (again, noting this was pre-pandemic) provides a useful insight into the type of generic skills sought by employers.

Both nationally and in Dorset, around half of employers felt that their workforce needed to develop specialist skills for their area of work and similar proportions felt knowledge of the company products and services needed developing further.

Large proportions (44%) also needed their workforce to learn and adapt to new equipment or materials at work.

In Dorset it is also interesting to note that a third (33%) of employers needed staff to develop their advanced or specialist computer skills, exceeding the proportions that required basic computer literacy/IT skills development.

This is in line with considerable demand for STEM skills in Dorset based on vacancy data. There were 11,880 STEM vacancies advertised throughout 2021 (15% of all Dorset vacancies). Within the group of STEM vacancies, the highest demand was for programmers and software developers/ engineers (c. 2345) representing 2.9% of all vacancies in Dorset.

Mapping skills supply and demand

Summary

Hard-to-fill vacancies and skill shortages are significant areas of concern for Dorset and highlight the extent to which employers experience these challenges has a reverse effect on the local economic growth.

- Dorset scores relatively high on a range of indicators that illustrate an overall unmet demand for labour, ranking in the top 3 LEP areas for the proportions of hard-to-fill and skills shortage vacancies reported by employers.
- Prior the pandemic, there were strong indications for structural shortages with half of the vacancies locally identified as hard-to-fill and one in three vacancies specifically caused by skills shortages. Among the jobs that were hard to fill, local employers mentioned health and social care (nurses, carers, physiotherapists), engineering (systems, technical), construction (plumbing, electrical, carpentry), professional, finance and legal (business, account managers, accountancy, tax advice, financial management and planning, legal skills, fundraising), hospitality (chefs, waiting, front of house staff).
- Skills utilisation issues within the existing workforce were also widely prevalent, which together with staff proficiency, and the significant skills gaps identified provide further explanation for the productivity conundrum with the majority of employers stating skills gaps impacted their productivity, business profitability and growth.
- While the pandemic disrupted the labour market, significantly increasing the available labour resource at its peak, the imbalance between the supply and demand for labour in Dorset persisted with mounting recent evidence from local employer membership organisations that these trends have worsened and the labour supply issues experienced by employers have deepened in recent months, particularly around simultaneous recruitment drives reactive to changes in pandemic restrictions and Brexit effects on workforce availability especially for 'lower skilled' occupations.

The difficulty for Dorset to address these skills and labour shortages is influenced by wider structural factors, such as demographics, cultural environment and facilities across rural areas and higher house prices, which could all act as barriers to attraction and retention. What Dorset is not lacking however is ambition, drive and determination to work across partners and tackle these complex issues and the Local Skills Report offers an update on key initiatives currently underway.

Proficiency of workforce

	Proportion of staff not fully proficient	Proportion of establishments with any under-utilised staff		
Dorset	5.1%	35.0%		
England	4.6%	34.0%		





Figure 28. Staff that are not fully proficient and under-utilised.

Employer Skills Survey, 2019 (published 2020)

The latest Employers Skills Survey results shown here highlight a key question around optimal utilisation of the existing workforce skills. Skills utilisation is an equally significant issue as the skills gaps. Whilst only c5% of employers felt that their staff were not fully proficient, over one-third of establishments felt they had under-utilised staff.

This may also suggest that the 'matching process' (between those with the requisite skills to the jobs/roles that require those skills) may also not be working as well as it could be. Similar observations were made in the 2020 Dorset Employer Skills Survey around partnering with educational providers for recruitment activities, which highlighted the need for improved collaboration and understanding of provision.

Optimising the utilisation of existing skills and matching them with the employer demand is a key consideration in understanding how productivity (both at a firm-level and within the wider Dorset economy) can be improved and growth supported. Better utilisation of skills by employers would act as a key driver for performance and the 'Dorset People and Skills Evidence Base' suggests better organisational management is a major influence on skills utilisation.

Hard-to-fill and skills shortage vacancies

Hard-to-fill vacancies and skill shortages are significant areas of concern for Dorset and highlight that the extent to which employers experience these challenges has a reverse effect on the local economic growth.

Dorset scores relatively high on a range of indicators that illustrate an overall unmet demand for labour suggests that the labour market in Dorset is experiencing 'tighter' conditions than nationally. Based on 2019 data (Figure 29), the Employer Skills Survey ranked Dorset in the top 3 LEP areas for the proportions of hard-to-fill and skills shortage vacancies reported by employers:

- 61% of Dorset employers had at least one vacancy that is hard to fill (national average 44%),
- 49% of all vacancies were hard-to-fill (national average 37%), and
- one in three vacancies compared to one in four nationally were vacancies specifically caused by skills shortages ('Skills Shortage Vacancies').
- The skills shortages most commonly experienced, according to the 2020 Dorset Employer Skills Survey, were in digital, sales and marketing, complex analytical, leadership and management skills.
- Among the jobs that were hard to fill, local employers mentioned health and social care (nurses, carers, physiotherapists), engineering (systems, technical), construction (plumbing, electrical, carpentry), professional, finance and legal (business, account managers, accountancy, tax advice, financial management and planning, legal skills, fundraising), hospitality (chefs, waiting, front of house staff).
- The biggest challenge in filling their vacancies was accessing sufficient numbers of applicants with the required skills, motivation and personal attributes.

The significance of these skills gaps was highlighted by c70% of Dorset employers stating that skills gaps were impacting their productivity, while over a half felt they were having negative effects on business profitability and growth.

While these surveys were undertaken pre-pandemic, with accelerated labour shortages reports by local employer membership organisations over the past year, there are strong indications that these trends have worsened and the labour supply issues experienced by employers have deepened, particularly around simultaneous recruitment drives reactive to changes in pandemic restrictions and Brexit effects on workforce availability especially for 'lower skilled' occupations (Table 4).

The difficulty for Dorset to address these skill shortage vacancies is influenced by factors such as higher house prices, which sometimes act as a barrier for people to move into the area to fill those roles.



Figure 29. Proportion of vacancies that are hard-to-fill or skills-shortage. Employer Skills Survey, 2019 (published 2020)

ANNEX B Additional Indicators

Local Landscape Employment in industry sectors

Dorset LEP - Employed by sector between 2015 and 2020 - Business Register and **Employment Survey**



 Accommodation & food services (I) Professional, scientific & technical (M) Business administration & support servi... Arts, entertainment, recreation & other ... Financial & insurance (K) Public administration & defence (O) Information & communication (J) Transport & storage (inc postal) (H)

- Mining, quarrying & utilities (B,D and E)

Figure 30. Dorset Employment by Sector 2015-2020. Business Register and Employment Survey, 2020 (published 2021)





Figure 31. Dorset LEP Difference in employment by sector 2020 vs 2015. Business Register and Employment Survey, 2020 (published 2021)



Dorset LEP - Employed by sector between July 2014 – June 2015 and July 2020 – June 2021 - Annual Population Survey

Figure 32. Dorset LEP Employed by Sector – 2015 -2021 time series. – Annual Population Survey, July 2014 - Jun 2015 – July 2020-Jun 2021 (published October 2021)

Employment jobs in Dorset LEP and Local Authorities in 2020



Figure 33. Dorset Employment Jobs by Sector and Localities -2020. BRES 2020 (Published 2021)

Sector concentration in Dorset (2021)

SIC	Description	2021 Jobs	2021 Location Quotient
K	Financial and Insurance Activities	16,949	1.41
L	Real Estate Activities	10,046	1.39
1	Accommodation and Food Service Activities	35,073	1.30
Α	Agriculture, Forestry and Fishing	7,045	1.21
F	Construction	21,312	1.17
В	Mining and Quarrying	681	1.12
Q	Human Health and Social Work Activities	50,356	1.10
R	Arts, Entertainment and Recreation	9,138	1.09
С	Manufacturing	29,726	1.08
G	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	55,576	1.06
S	Other Service Activities	7,703	1.04
P	Education	29,037	0.99
E	Water Supply; Sewerage, Waste Management and Remediation Activities	2,232	0.97
Μ	Professional, Scientific and Technical Activities	30,002	0.95
0	Public Administration and Defence; Compulsory Social Security	11,359	0.73
Ν	Administrative and Support Service Activities	21,695	0.72
D	Electricity, Gas, Steam and Air Conditioning Supply	974	0.64
J	Information and Communication	7,788	0.52
Н	Transportation and Storage	8,619	0.49

Figure 34. Sectors Location Quotient in Dorset. Source: EMSI Analyst 2021

Employment in occupations

Employment jobs in Dorset LEP and Local Authorities in 2020



Figure 35. Dorset LEP Employed by Occupation – 2015 -2021 time series. – Annual Population Survey, July 2014 - Jun 2015 – July 2020-Jun 2021 (published October 2021)

Dorset LEP - difference in employment by occupation 2021 vs 2015



England - difference in employment by sector 2021 vs 2015





Figure 36. Dorset LEP and England - difference in employed by occupation – 2015 -2021. Annual Population Survey, July 2014 - Jun 2015 – July 2020-Jun 2021 (published 2021)

Jobs earning below the Living Wage



Figure 37. Annual Survey of Hours and Earnings (ASHE) – Estimates of the number and proportion of employee jobs with hourly pay below the living wage, 2021 Provisional, Published October 2021



Figure 38. Annual Survey of Hours and Earnings (ASHE) – Estimates of the number and proportion of employee jobs with hourly pay below the living wage, by parliamentary constituency. 2021 Provisional, Published October 2021

Wage by gender



Figure 39. Salary comparison. Annual Survey of Hours and Earnings, 2014 – 2021

Skills Supply Qualifications over time



Qualifications of Dorset LEP Residents aged 16-64

Figure 40. Number of residents aged 16-64 by qualifications - 2010-2020. Annual Population Survey, 2020 (published 2021)

Qualifications of Dorset LEP Residents aged 16-64



Annual Population Survey, 2020 (published 2021)



Qualifications of Dorset LEP Residents aged 16-64

Figure 42. Proportion of residents aged 16-64 qualified to Level 4+, Dorset areas. Annual Population Survey, 2019 (published 2020)

Adult FE and skills participation in Dorset



Figure 43.Adult FE and skills participation time series. Further education and skills geography tool: 2014/15 to 2018/19 | Explore Education Statistics Further Education and Skills Participation 2018/21

Apprenticeships starts/achievements

Apprenticeships starts and achievements – time series - Dorset



Figure 44. Dorset LEP Apprenticeships Starts and Achievement 2020/21. Explore Education Statistics Apprenticeships and Traineeships 2020/21/ DfE Datacube, 2021



Apprenticeships starts 2018/19-2020/21 – Dorset LEP by subject area

Figure 45. Dorset apprenticeships starts by subject area. DfE Datacube, 2021



Apprenticeships starts by level - Dorset

• Intermediate Apprenticeship (Level 2) • Advanced Apprenticeship (Level 3) • Higher Apprenticeship (Level 4) Figure 46. Apprenticeships starts by level. DfE Datacube, 2021



Apprenticeships achievements by level - Dorset

• Intermediate Apprenticeship (Level 2) • Advanced Apprenticeship (Level 3) • Higher Apprenticeship (Level 4)

Figure 47. Apprenticeships achievements by level. DfE Datacube, 2020

Destinations charts

Key Stage 4 Destinations – Dorset vs England time series



Figure 48. DfE Key stage 4 destination measures 2019/20 – Published 2021



Key Stage 4 Destinations by disadvantaged status – Dorset LEP 2019/20

Figure 49. Key stage 4 destinations by disadvantaged status (state funded mainstream schools) Dorset LEP, 2019/20. Explore education statistics – GOV.UK (explore-education-statistics.service.gov.uk)





Figure 50. KS5 Dorset LEP destinations - 2019/20, DfE

FE Education & Training



Figure 51. Dorset adult learning destinations by subject areas. FE outcome-based success measures, 2019/20 destinations of 2018/19 completions, DfE, (published 2021)

Skills Demand

Productivity by qualification level



Figure 52. Regional GVA and Annual Population Survey – ONS – correlation



Figure 53. Dorset Annual Vacancies - time series 2012-2021. Burning Glass Technologies. Labour Insight. 2021

Dorset to 10 industries vacancies - time series



- HUMAN HEALTH AND SOCIAL WORK ACTIVITIES
- MANUFACTURING
- EDUCATION

PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES

- WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR V...
- FINANCIAL AND INSURANCE ACTIVITIES
- PUBLIC ADMINISTRATION AND DEFENCE; COMPULSO...
- ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES
- ACCOMMODATION AND FOOD SERVICE ACTIVITIES

Figure 54. Vacancies by industry in Dorset 2012 - 2021. Labour Insight. Burning Glass, 2021

Dorset Industries Number of Vacancies - Difference (%) • 2021 vs 2020 • 2021 vs 2019



Figure 55. Vacancies by industry in Dorset 2021 vs 2020 and 2019. Labour Insight. Burning Glass Technologies, 2021

Sector and occupation forecasts

Table 3. Employment by Industry Group and Sector (SIC 2007), 2017-2027, Dorset. Working Futures 2017-2027.Cambridge Econometrics. *Estimate unreliable sample size is small

	Adsolute levels and chai		
	Levels	Change	
Engineering	2027	2017-2027	
Primary sector and utilities	12	-1	
Agriculture	8	-1	
Mining and quarrying	*	*	
Electricity and gas	*	*	
Water and sewerage	3	0	
Manufacturing	31	-2	
Food drink and tobacco	4	0	
Engineering	6	-1	
Rest of manufacturing	21	-1	
Construction	29	1	
Trade, accomod. and transport	103	1	
Wholesale and retail trade	59	1	
Transport and storage	9	0	
Accommodation and food	35	1	
Business and other services	111	6	
Media	2	0	
Information technology	11	1	
Finance and insurance	15	0	
Real estate	8	0	
Professional services	28	2	
Support services	25	2	
Arts and entertainment	12	1	
Other services	10	0	
Non-marketed services	117	6	
Public admin. and defence	17	-1	
Education	35	0	
Health and social work	65	7	
All industries	403	10	
	403	12	

Absolute levels and changes (000s)

Table 4. Standard Occupation Classification (SOC) structure and descriptions. ONS

SOC 1-3 Digits	High skilled jobs
1 – Managers	Require a graduate level education in general
2 – Professionals	
3 – Associate Professionals	
SOC 4-6 Digits	Med-range skilled jobs
4 – Admin	Mostly require a Level 3-5 education
5 – Skilled trades	
6 – Caring, leisure, service	
SOC 7-9 Digits	Categorised as "Low skilled" jobs
7 – Sales	Mainly require Level 2 qualifications and below
8 – Process, machine operatives	
9 – Elementary	

Occupational projections in Dorset – 2017-2027

	thousand	ds	thousar	nds	Difference (thous	ands)
Health and social work	2017	%	2027	%	2027-2017 %	
Managers, directors and						
senior officials	2.67	5%	3.15	5%	0	1%
Professional						
occupations	18.94	33%	22.08	34%	3	5%
Associate professional						
and technical	7.47	13%	8.64	13%	1	2%
Administrative and						
secretarial	4.44	8%	2.92	4%	-2	-2%
Skilled trades						
occupations	0.62	1%	0.53	1%	0	0%
Caring, leisure and other						
service	21.35	37%	25.56	39%	4	6%
Sales and customer						
service	0.70	1%	0.72	1%	0	0%
Process, plant and						
machine operatives	0.35	1%	0.32	0%	0	0%
Elementary						
occupations	1.54	3%	1.22	2%	0	0%
Total	58.08		65.13		7	

Figure 56. Occupational projections Dorset – Working Futures 2017-2027-Cambridge Econometrics, 2020
thousands	Non-marketed services				Manufacturing				Trades, Accom. Transport			
Occupations	2017 %		2027 %		2017 %		2027 %		2017 %	, 5	2027 %	
Managers, directors and senior officials	5	5%	6	5%	4	12%	4	14%	16	15%	17	1 <mark>5%</mark>
Professional occupations	41	37%	46	39%	4	13%	5	15%	5	5%	6	5%
Associate professional and technical	15	14%	16	14%	4	13%	4	14%	7	6%	8	7%
Administrative and secretarial	11	10%	7	6%	3	9%	3	8%	8	7%	8	7%
Skilled trades occupations	1	1%	1	1%	8	25%	7	23%	11	10%	9	8%
Caring, leisure and other service	31	27%	36	<mark>30</mark> %	~		~		2	2%	3	2%
Sales and customer service	1	1%	1	1%	1	4%	1	4%	26	23%	25	22%
Process, plant and machine operatives	1	1%	1	1%	5	17%	4	14%	7	6%	6	5%
Elementary occupations	4	4%	3	3%	2	6%	2	6%	20	18%	20	17%
	Construction				Business and other services				Primary sector and utilities			
	2017 %		2027 %		2017 %		2027 %		2017 %	, D	2027 %	
Managers, directors and senior officials	3	10%	3	11%	15	<mark>1</mark> 4%	17	15%	1	7%	1	8%
Professional occupations	3	10%	3	12%	21	20%	24	22%	1	5%	1	7%
Associate professional and technical	2	7%	2	8%	22	21%	24	22%	1	7%	1	7%
Administrative and secretarial	2	7%	2	5%	15	1 <mark>5%</mark>	13	11%	1	6%	1	6%
Skilled trades occupations	14	50%	14	48%	5	5%	5	4%	4	31%	3	28%
Caring, leisure and other service	~		~		8	8%	9	8%	1	6%	1	7%
Sales and customer service	1	2%	1	2%	6	5%	6	5%	1	4%	1	4%
Process, plant and machine operatives	2	9%	2	8%	2	2%	3	2%	2	14%	1	12%
Elementary occupations	2	5%	1	5%	11	10%	11	10%	3	20%	3	21%

Figure 57. Dorset industry occupation composition 2017 vs 2027. Working futures 2017-2027, Local worksheets. Cambridge Econometrics, 2020.

~ Estimate is less than 500



Figure 58. Expansion, replacement and net labour demand requirement by occupation – Dorset (2017-2027 – 000s). Working Futures local woksheets – Cambridge Econometrics